Agriculture and Rural Development

BUSINESS PLAN 2012-15

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of January 19, 2012.

original signed by

Evan Berger, Minister
January 20, 2012

THE MINISTRY

The ministry consists of the Department of Agriculture and Rural Development, Agriculture Financial Services Corporation (AFSC) and the Alberta Livestock and Meat Agency Ltd. The ministry is also responsible for the Office of the Farmers' Advocate, the Irrigation Council, the Agricultural Products Marketing Council, and the Alberta Grains Council, for which funding is included in the department's budget.

Agriculture and Rural Development's mission is to provide the frameworks and services necessary for Alberta's agriculture and food sector to excel, to inspire public confidence in the quality and safety of food and to lead the collaboration that enables resilient rural communities. Its core businesses are:

- a market-driven, environmentally responsible industry;
- food safety, plant health and animal health and welfare; and
- rural development.

A more detailed description of Agriculture and Rural Development and its programs and initiatives can be found at www.agriculture.alberta.ca.

This business plan is aligned with the government's goals and supports the government's core businesses as set out in the *Government of Alberta Strategic Plan*.

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

As a result of the ministry's review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified. Minister's mandate items are identified with a ✓.

Goal One: A competitive self-reliant industry

This goal recognizes the importance of policy development, advocacy, programs and services that reinforce economic competitiveness and build lasting prosperity in Alberta's agriculture industry. The ministry delivers extension programs and services, research-based information and innovative business tools to encourage industry adoption of best practices. The ministry also continues to work on government initiatives and strategies including Alberta's Competitiveness Initiative; and collaborates with key partners and stakeholders including the Alberta Livestock and Meat Agency Ltd. to implement key actions that contribute to Alberta's economic prosperity.

Priority Initiatives:

1.1 Assist the industry with maximizing opportunities in value-added agricultural products and services and overcoming trade barriers to expand market access, attract investment and position Alberta as the preferred global supplier of agriculture products and services.

1.2 Lead the way in productive and high-tech practices through strategies, partnerships and extension activities that facilitate investment in research, innovation and commercialization in the agriculture sector.

1.3 Continue to work with Alberta's wheat and barley producers to transition to a new marketing reality resulting from changes to the Canadian Wheat Board.

1.4 In partnership with other governments, develop a Growing Forward 2 framework that supports progressive thinking, considers Alberta's interests, and enhances competitiveness.

Performance Measures	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
1.a Number of value-added products developed and successfully introduced into market with assistance from Agriculture and Rural Development	90	71	78	85
1.b Research and development investment by collaborators leveraged through ministry resources ($ million)	7.4	7.5	7.5	8.0
1.c Percentage of eligible seeded acres for major crop categories insured under Production Insurance/AgriInsurance:				
• Annual crops	73%	70%	70%	71%
• Perennial crops	28%	24%	24%	23%

Goal Two: Environmental stewardship

This goal is directed at exploring and implementing environmentally responsive solutions that enable the agricultural sector to minimize its environmental footprint and promote competitiveness. The ministry collaborates with all levels of government to develop integrated environmental policy and continues to facilitate the adoption of better management practices that protect or enhance the environment and that define and meet climate change, land use, air and water objectives.

Priority Initiatives:

✓ 2.1 Together with the Ministers of Energy, Environment and Water and Sustainable Resource Development, design and implement an initiative to make Alberta the national leader in energy efficiency and sustainability.

2.2 Work with irrigation districts, irrigators and government to provide advice, regulatory administration and strategic recommendations that facilitate the responsible allocation, management and use of water delivered through irrigation infrastructure.

Performance Measure	Last Actual 2009-10	Target 2012-13	Target 2013-14	Target 2014-15
2.a Average percentage of improved environmentally sustainable agriculture practices adopted by producers (biennial survey)[1]	58%	n/a	59%	n/a

Note:

1 The number of environmental practices tracked under this measure has been revised to reflect ministry priorities. As such, the forecasted target for 2013-14 is not directly comparable to the 2009-10 result.

Goal Three: Farmed animal health and welfare, plant health, and safe food products

To achieve this goal, the ministry facilitates the development and application of innovative systems that assure the quality and safety of food produced and processed in Alberta and maintains its commitment to continuous improvement in farmed animal health and welfare. It ensures that policies, standards, legislation and regulations

align to support plant health, farmed animal health and welfare and safe food production and contributes to the development and implementation of national and provincial food safety and farmed animal health and welfare strategies and initiatives.

Priority Initiatives:

3.1 Develop the infrastructure and preparedness that enable government and industry to prevent, detect, respond to and recover from provincial hazards, including invasive crop pest species, foreign or emerging farmed animal disease incursions, and hazards that would impact food security in Alberta.

3.2 Develop and deploy traceability systems for selected livestock species and crops.

Performance Measures	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
3.a Percentage of Alberta licensed meat processing facilities that have added a preventative system to their existing food safety system	86%	83%	86%	89%
3.b Number of Alberta food processing facilities participating in the Alberta HACCP[1] Advantage Program	53	33	36	39

Note:

1 HACCP is an acronym which means Hazard Analysis Critical Control Point. HACCP is a system which identifies, evaluates, and controls hazards which are significant for food safety.

Goal Four: A vibrant, resilient and sustainable rural Alberta

Building a resilient and sustainable rural Alberta involves policies, programs and services that advance community capacity, infrastructure, economic opportunities, innovation, connectivity and rural stewardship in collaboration with other ministries and rural stakeholders. The ministry also actively continues to build rural Alberta's leadership base by working with youth and rural stakeholders and partnering with educational institutions to facilitate innovative learning and skill development opportunities.

Priority Initiatives:

✓ 4.1 Work with the Minister of Service Alberta to deliver high-speed internet connectivity to unserviced locations in rural Alberta.

4.2 Continue to work with other ministries and rural stakeholders such as Rural Alberta's Development Fund to identify and support rural development projects.

4.3 Advance programs, services and key lending products to support rural business, infrastructure needs and economic prosperity in rural Alberta.

Performance Measures	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
4.a Total investment leveraged in rural businesses facilitated through AFSC lending services ($million)	640	575	626	663
4.b Percentage of ministry-supported, agricultural-related community activities that focus on leadership development	33%	31%	32%	33%
4.c Percentage of rural youth and adults participating in ministry-supported programs that report effective learning from those programs	95%	91%	92%	92%

STATEMENT OF OPERATIONS

Consolidated on a Fiscal Plan Basis

(thousands of dollars)	Comparable					
	2010-11 Actual	2011-12 Budget	2011-12 Forecast	2012-13 Estimate	2013-14 Target	2014-15 Target
REVENUE						
Internal Government Transfer	-	-	1,813	-	-	-
Transfers from Government of Canada	272,598	287,015	296,413	322,590	333,353	334,089
Investment Income	109,048	115,585	109,822	130,229	157,541	185,469
Premiums, Fees and Licences	274,057	313,921	299,357	289,486	300,569	302,035
Other Revenue	14,271	11,894	14,446	9,312	8,384	7,630
Consolidation Adjustments	-	-	(1,813)	-	-	-
Total Revenue	669,974	728,415	720,038	751,617	799,847	829,223
EXPENSE						
Program						
Ministry Support Services	15,025	16,140	16,912	17,335	17,615	18,096
Agriculture Income Support	171,469	152,239	123,393	226,288	228,799	230,490
Lending	32,004	31,977	34,141	39,782	41,010	43,224
Insurance	450,021	474,264	430,427	429,831	429,928	430,602
Policy and Environment	64,509	74,283	73,329	67,974	70,729	69,917
Rural and Regulatory Services	38,495	17,629	24,448	19,555	20,007	20,007
Industry Development and Food Safety	133,345	134,693	181,788	133,392	133,584	133,185
Livestock and Meat Strategy	37,130	40,737	40,236	39,088	38,352	37,712
Farm Fuel Distribution Allowance	30,614	32,500	32,500	28,500	28,500	28,500
Total Program Expense	972,612	974,462	957,174	1,001,745	1,008,524	1,011,733
Debt Servicing						
Agriculture Financial Services Corporation	53,993	68,030	59,818	75,462	90,212	100,530
Total Expense	1,026,605	1,042,492	1,016,992	1,077,207	1,098,736	1,112,263
Gain (Loss) on Disposal of Capital Assets	20	-	-	-	-	-
Net Operating Result	(356,611)	(314,077)	(296,954)	(325,590)	(298,889)	(283,040)
CAPITAL INVESTMENT BY PROGRAM						
Ministry Support Services	409	1,000	715	1,000	100	100
Agriculture Income Support	756	2,843	1,574	2,392	2,314	2,225
Lending	6,876	2,982	1,669	2,668	2,582	2,460
Insurance	3,527	4,651	3,899	3,677	3,556	3,370
Policy and Environment	632	200	911	200	200	200
Industry Development and Food Safety	1,796	996	2,405	996	996	996
Livestock and Meat Strategy	172	-	500	-	-	-
Total	14,168	12,672	11,673	10,933	9,748	9,351